

VZCZCXRO0300  
PP RUEHMA RUEHPA  
DE RUEHRY #0064 0921408  
ZNR UUUUU ZZH  
P 011408Z APR 08  
FM AMEMBASSY CONAKRY  
TO RUEHC/SECSTATE WASHDC PRIORITY 2359  
INFO RUEHZK/ECOWAS COLLECTIVE  
RHEFDIA/DIA WASHINGTON DC  
RUEAIIA/CIA WASHDC  
RHMFISS/HQ USAFRICOM STUTTGART GE  
RHMFISS/HQ USEUCOM VAIHINGEN GE

UNCLAS CONAKRY 000064

SIPDIS

SIPDIS

E.O. 12958: N/A

TAGS: [ECON](#) [PGOV](#) [ASEC](#) [PREL](#) [GV](#)

SUBJECT: GOG REDUCES FUEL SUBSIDY, PRICES RISE BY 62%

¶1. (U) Late in the evening on March 31, the Guinean Government announced that the country's fuel prices would increase from 4,300 GnF per liter to 7,000 GnF per liter (\$.97/liter to \$1.59/liter), effective midnight. So far, the population's reaction has been relatively quiet. There have been a few small-scale demonstrations reported, with incidents of rock-throwing and roadblocks, which were primarily the result of students being unable to find transportation to school. In all cases, the police, who were armed with tear gas, responded quickly to peacefully disperse the crowds. There have not been any significant disruptions to traffic flows or regular commercial activities.

¶2. (U) Embassy staff observed far fewer taxis on the road with long lines at taxi stops as passengers waited for transportation this morning. Many people were observed walking to their destinations. Embassy LES staff reported significant delays in getting to work due to difficulties in finding transportation. One LES reported that she waited over an hour for a taxi. Another said that he could not find a taxi at all and was getting ready to rent a vehicle from a local rental company, at triple the normal rate, when another LES passed by in his personal vehicle and offered to take him to work.

¶3. (U) Taxi prices were all over the map. The Guinean Government regulates taxi rates, although LES staff report that the official rates are generally ignored. Those LES who could find a taxi this morning reported significant price increases in their individual fares, with most ranging from 58% to 62%, but several reported fares that were twice the normal amount.

¶4. (U) According to various press reports, including an interview with the Minister of Commerce, the Guinean Government plans to offer some other forms of economic relief to help alleviate the burden of higher transportation costs. These measures reportedly include reducing prices for rice, offering reduced transport fares for students, and increasing stipends for university students. However, the government has not yet indicated how or when these additional measures might be implemented.

-----  
COMMENT

¶5. (U) The fuel price increases are not a surprise to the population since they have been the subject of widespread rumors since early January. The fact that the Guinean Government has finally taken a concrete step towards eliminating the program should help demonstrate its commitment to progress under its IMF program. Embassy will continue to monitor the situation closely as the reality of a

62% increase in fuel prices sets in. As in much of the rest of the world, the population is already suffering from rising world commodity prices, and local prices for basic staples are expected to increase relative to increased transportation costs, which could exacerbate the situation. END COMMENT.  
CARTER